

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 03 TEL AVIV 001218

SIPDIS

E.O. 12958: N/A

TAGS: [PREL](#) [PGOV](#) [KDEM](#) [PINR](#) [IS](#) [GOI](#) [INTERNAL](#) [ELECTIONS](#)

SUBJECT: ELECTION RESULTS OFFER MANY OPTIONS FOR OLMERT

REF: A) TEL AVIV 1198 B) TEL AVIV 1193

1. Summary: The March 28 election results confirmed a Kadima plurality, the status quo of Labor, the relative demise of Likud and less so of the religious Zionist parties, the stability of the ultra-Orthodox and Arab parties, the surprise electoral success of the Pensioners' Party, and the long-predicted rise of Avigdor Lieberman's rightist Yisrael Beiteinu. Official results will not be published until April 5, after the Central Election Committee counts absentee ballots and allocates votes among the party lists that passed the 2 percent threshold for participating in the 17th Knesset. President Katsav will undoubtedly entrust the job of forming a governing coalition to Kadima Party leader Ehud Olmert, perhaps as soon as April 1. Katsav has 14 days from the election to ask a faction leader to form a coalition. That leader then has 28 days, with a possible 14-day extension, to form his government, making maximum total of 56 days from the election, or May 23. Olmert and others are likely, however, to accelerate the process as much as possible in order to complete government formation prior to or as closely as possible to April 14, the end of Olmert's original 100-day term as acting prime minister. Meanwhile, speculation about coalition options began the moment exit poll results were released, and the major parties are now actively working to secure positions, establish possible coalition principles, and wrest promises from each other. End Summary.

-----  
ELECTION RESULTS  
-----

2. Kadima won fewer seats -- 28 -- than polls predicted. Voter apathy (Ref A), Olmert's hubris in predicting an easy victory, the absence of Sharon's dynamism, and voters' greater concern for social/economic matters than for national security policy questions -- due largely to Amir Peretz's focus on social issues -- were all contributing factors. The Labor Party dropped only a single seat from poll prediction essentially holding its own for a second place finish at 20 seats, and besting the previously dominant Likud Party by a wide margin. Likud's strength shrunk to 11, effectively pushing out of the Knesset anti-disengagement Likud MK Uzi Landau, as well as party secretary Yisrael Katz.

3. The religious Zionist joint list of the National Union and National Religious Party did not profit from Likud's demise, as they brought in just nine seats as a group. Instead, the darling of the Russian-speaking immigrant vote, Avigdor Lieberman of the Yisrael Beiteinu Party, emerged -- with 12 seats -- as the dominant player in the so-called "national" camp of the Israeli electorate. Both ultra-Orthodox parties -- Shas and "Torah and Shabbat Judaism" (formerly known as United Torah Judaism) -- succeeded in increasing their representation, winning 13 and six seats respectively, as did the three main Arab parties, which won 10 seats (Ref B). Embassy observers and Israeli pundits attribute the seven-seat surprise success of the dark horse the Pensioners' party to a protest by voters, both young and old, displeased with Israel's major parties and concerned about their personal future.

-----  
VOTERS MORE CONCERNED WITH SOCIAL-  
ECONOMIC ISSUES THAN NATIONAL SECURITY POLICY  
-----

4. Embassy officers and FSNs spent hours on election day speaking to voters -- in Hebrew, Russian, and Arabic -- and election officials in over 30 polling stations in 12 cities and towns from Nazareth in the north to the outskirts of Beersheva in the south, and to Ashdod and Jaffa along the coast, as well as Petah Tikva, Bnei Brak, Ramat Gan, and Bat Yam in the suburban hinterland around Tel Aviv. Strong and consistent trends -- albeit anecdotal -- emerged that help explain the election results. Most striking was a broad sense of apathy and disenchantment stemming from what many voters termed politicians' perceived corruption and failure to deliver on promises. An elderly woman, asked by an officer what she most hoped to achieve through her vote, said, "That they get out of their seats and start doing something."

5. Voters in many stations told officers they voted only out of civic duty; others said they voted against one party or

another -- usually one of the three major parties -- rather than in favor of a party. Many Israeli election officials confirmed to officers that these elections had less intensity than did previous elections; some voters accounted for this phenomenon by describing a blurring of lines between traditional left and right. Officers also noted that the majority of voters focused on social and economic issues in response to direct questions about their political priorities. Although many made general reference to "security," few specified what they meant by this term and spoke more energetically about social issues. Specifically, officers heard little to nothing about withdrawal from the territories, even in response to direct questions about this issue.

-----  
NEXT STEPS  
-----

16. Israeli President Katsav has indicated that he intends to move quickly to consult possible coalition leaders, and there is no doubt that he will follow the unbroken Israeli practice of offering to the leader of the largest Knesset faction -- Ehud Olmert -- the opportunity to form a government. The decline in strength of the Likud Party and the National Union/National Religious Party means that Olmert faces no threat from any blocking effort by far right-wing Israeli parties. Instead, Olmert has the opportunity to form a coalition of his choosing. he can go with the Left (principally Labor), which would "cost" more in terms of posts and budget allocations for social programs, but yield immediate support for Olmert's convergence plan. alternatively, he can go with Yisrael Beiteinu and the ultra-Orthodox parties, which would help Kadima divide and neutralize opposition on the right, but make immediate progress on Olmert's convergence program more difficult in the short term. Other combinations are possible, and, again, will depend on the asking prices set by party leaders as well as the inclination of Kadima leaders, who may seek a broad, inclusive coalition, or opt to form a narrow, more manageable coalition.

-----  
COALITION-BUILDING TO BEGIN  
-----

17. Here are the politicians of the leading parties (in order of electoral strength) to watch as coalition partners coalesce over the coming days:

-- Kadima (28): A Kadima campaign contact told poloff that Olmert is directly involved in conducting coalition negotiations, and that the Pensioners are already on board. Talks with the ultra-Orthodox are underway, and eventually, the contact said, a coalition will likely include Labor -- but it all depends on the political "price" demanded. The well-informed Maariv reporter, Ben Caspit, claimed in a March 29 report that Olmert had spoken with Lieberman and had already closed a deal with Agudat Yisrael, the leadership of the Torah and Shabbat Judaism Party (see below). Contacts indicate the Kadima will form a three-person coalition negotiating team that will include KADIMA legal advisor Eitan Haberman and two others yet to be named. MK Haim Ramon is also likely to play a significant role in Kadima's coalition negotiations.

-- Labor (20): Labor MK Yuli Tamir, number five on Labor's list, told poloff that the coalition negotiating team will likely be determined within the next few days, but she speculated that it will include herself, Isaac Herzog (number two) and Labor Party Secretary-General Eitan Cabel (number seven).

Shas (13): MKs Amnon Cohen and Meshulam Nehari told poloff, separately, that Shas had already engaged in informal discussions with Kadima on joining the coalition. Nehari said that Shas Party leader Eli Yishai is personally involved in the talks. Both Cohen and Nehari said no formal negotiating team yet exists. Nehari claimed that Lieberman's party (Yisrael Beiteinu) would lead the opposition now, implying -- since Shas is now larger than Yisrael Beiteinu and Likud and this would be entitled to lead the opposition if it remains outside the coalition -- that Shas does hope to join the Kadima-led coalition. Furthermore, Shas spiritual leader Rabbi Ovadia Yossef, whose word is law for party members, reportedly told Shas party leaders that he wants them "in government." In the 1990's, Rabbi Ovadia decreed that it is permissible to give up land if this saves lives -- a precedent that could allow the party flexibility to finesse a deal with Kadima.

Yisrael Beiteinu (12): Party leader Avigdor Lieberman told his supporters on election night that they have become "the largest party of the national camp" -- a statement that could presage his quest to become opposition leader -- or a signal

to Kadima that he "won't give up on principles" should Kadima try to entice him to join the coalition. Number two on the list, Yuri Shtern, told Channel 10 last night that "We will be the party without which there will be no coalition."

Likud (11): Party leader Binyamin "Bibi" Netanyahu gave a defiant, defensive speech after the exit polls came in, pinning the blame for Likud's showing on Sharon. Likudniks who attended Bibi's speech, such as MK Moshe Kahlon (number three) and MK Gilad Erdan (number four), told poloff that Likud is likely to remain in the opposition, but they did not completely rule out joining a Kadima-led coalition. Some Likud leaders, such as Silvan Shalom, who was conspicuously absent from post-election events at Likud headquarters, could seek to oust Netanyahu from the leadership, a move that could pave the way for a possible partnership with Kadima down the road.

Pensioners' Party (7): Party Chair Rafi Eitan pitched the idea of including the pensioners when Sharon created Kadima, according to press reports, but Olmert's team did not offer realistic slots on the Kadima list. Post-election, Eitan reportedly outlined his price for joining the coalition: "We will be only in any future coalition that allows us to take care of our issue -- the pensioner issue... I am convinced that within a week you'll see that we are achieving our goals." Ben Caspit reported in Maariv that Kadima PR guru, Reuven Adler, is already in touch with the Pensioners and that talks are already at "an advanced stage."

Torah and Shabbat Judaism (6): Kadima strategists, including Avigdor Yitzhaki, have long predicted that Kadima would seek out the former "United Torah Judaism Party" as a partner in its coalition since its "price" will be much less than that of Shas. The Agudat Yisrael faction leader, Yakov Litzman, who leads this mostly-Azkhenazi ultra-Orthodox party is most likely the point person for coalition negotiations.

Meretz (4): Party leader Yossi Beilin's pre-election admonition that Meretz would not join a coalition that included Yisrael Beiteinu may have been a gambit designed to reassure those within his party who criticized his personal chumminess with Avigdor Lieberman. Post-election, it may mean that Meretz is excluded from consideration. Its relatively insignificant size and its leftist image may be perceived by Kadima as more of a liability than an asset.

\*\*\*\*\*  
Visit Embassy Tel Aviv's Classified Website:  
<http://www.state.sgov.gov/p/nea/telaviv>

You can also access this site through the State Department's Classified SIPRNET website.

\*\*\*\*\*  
JONES